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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/753,328	12/29/2000	Shane M. Tulloch	046700-5005-01	8416
28977	7590	09/01/2005	EXAMINER	
MORGAN, LEWIS & BOCKIUS LLP 1701 MARKET STREET PHILADELPHIA, PA 19103-2921			PATEL, JAGDISH	
			ART UNIT	PAPER NUMBER
			3624	

DATE MAILED: 09/01/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/753,328	Applicant(s) TULLOCH ET AL.	
	Examiner JAGDISH PATEL	Art Unit 3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 19 May 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-25 is/are pending in the application.
- 4a) Of the above claim(s) 19-24 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-18 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☒ Claim(s) 19-24 are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>5/19/2005</u> | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This communication is in response to amendment filed 5/19/2005.

Response to Amendment

2. The specification has been amended as per request. Claims 1, 16, 19 and 25 have been amended.

Response to Arguments

3. Applicant's Remarks with respect to claims 1-25 have been considered in view of the amended claims. However, the amendment of the claims did not overcome rejection of the claims under 35 USC 101 as explained in the following paragraphs.

4. Applicant's arguments with respect to claims 1-25 under 35 USC 103 have been considered but are moot in view of the new ground(s) of rejection.

Election/Restrictions

[Examiner's Note: This restriction requirement is presented in lieu of a separate office action addressing the Election/Restriction requirement with a shortened period of response. The examiner suggests that claim 19-24 be replaced with new system claims which corresponds to the method claims 1-18 and apparatus claim 25 while addressing response to this action.]

5. Newly submitted claims 19-24 are directed to an invention that is independent or distinct from the invention originally claimed for the following reasons:

Inventions of claims 1-18 and 19-24 are related as process and apparatus for its practice.

The inventions are distinct if it can be shown that either: (1) the process as

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claimed can be practiced by another materially different apparatus or by hand, or
(2) the apparatus as claimed can be used to practice another and materially
different process. (MPEP § 806.05(e)).

As explained in the following paragraphs the apparatus of claims 18-24 is shown to
perform can be used to practice another and materially different process.

In this case the processing unit coupled to the database performs distinct process from
that recited in method claim 1. Note that neither the database nor the processor is
connected to a (communication) network. Furthermore, the processor does not in
response to the receipt of the first and the second bid, assign a first value and a
first unit of measurement for the first bid and a second value and second unit of
measurement for the second bid and transform the first and second values to third
and fourth values, respectively, having a standard unit of measurement as recited
in claim 1 and 25. Apparatus recited in claim 16, on the other hand recites a
processing unit coupled to a database transforms the bid information from the
database into values having a standard unit of measurement but does none of
processes recited the claims of the method claims 1-18 and product claim 25.

Since applicant has received an action on the merits for the originally presented
invention, this invention has been constructively elected by original presentation for prosecution
on the merits. Accordingly, claims 16-24 are withdrawn from consideration as being directed to
a non-elected invention. See 37 CFR 1.142(b) and MPEP § 821.03.

Statute Cited in Prior Action

6. The text of those sections of Title 35, U.S. Code not included in this action can be found
in a prior Office action.

Claim Rejections - 35 USC § 101

7. Claims 1-18 and 25 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

6.1 The amended claims 1-18 are not within technological arts

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the “progress of science and the useful arts” (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts. The phrase “technological arts” has been created and used by the courts to offer another view of the term “useful arts”. See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Moreover, the courts have found that a claimed computer implemented process was within the “technological art” because the claimed invention was an operation being performed by a computer within a computer. See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). Finally, the Board of Patent Appeals and Interferences (BPAI) has recently affirmed a §101 rejection finding the claimed invention to be non-statutory based on a lack of technology. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

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As to technological arts recited in the preamble, mere recitation in the preamble (i.e., intended or field of use) or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble.

In the present case, method claim 1 and dependent claims 2-18 recite technological art only in the preamble. None of the method steps involve any form of technology. The step of receiving a bid a network could be performed manually via a network such as US Postal network or using a courier service such as UPS to deliver the brand promotions through its network of carriers, etc.. The claim suggests that the method is directed to transformational bidding in an online auction performed by a computer server. However, none of the steps of the method claims indicate implementation over the computer server. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as incorporating a computer network or electronic network into the communicating steps; for example: "receiving a first bid over a computer network ...".

The examiner also points out that mere intended or nominal use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process.

In the present case, performing the receiving step over a computer network (assuming such is the case) would be deemed a nominal use of technology since the inventive steps of assigning and transforming are not positively recited as being performed by the computer server.

6.2 Claims 1-16 and 25 do not produce useful, concrete, and tangible result.

Despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, the courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998). Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Thus, in order for a claimed invention to be statutory, the claimed invention must produce a useful, concrete and tangible result. [*"Usefulness" may be evidenced by, but not limited to, a specific utility of the claimed invention.*

"Concreteness" may be evidenced by, but not limited to, repeatability and/or implementation without undue experimentation. "Tangibility" may be evidenced by, but not limited to, a real or actual effect.]

In the present case, Considering the State Street ruling a determination is made whether present invention of (s) "transforms the first and second values to third and fourth values having a standard unit of measurement". However, there is no suggestion in the specification that a useful process occurs until the ranking associated with the third

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and fourth values are displayed in relation to each other. Since the claimed invention does not recite necessary steps to determine the ranking, it fails to produce a "useful, concrete and tangible result". In this regard, claim 1 is treated as nothing more than abstract idea. Dependent claims 2-16 do not cure this deficiency.

Apparatus claim 25 is also analyzed as non-statutory under this prong of the test.

Claim Rejections - 35 USC § 103

8. Claims 1-18 and 25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Carlton-Foss (US Pat. 6647373) (Carlton-Foss) and further in view of Klugman, Ellen "Through the bidding maze. (how to avoid common errors in presenting your bid to Uncle Sam)" (hereafter Klugman).

Per claim 1, Carlton-Foss teaches a method of transformational bidding with rebates and discounts in an online auction performed by a computer server, the method comprising: receiving a first bid from a first bidder and a second bid from a second bidder over a network, and wherein the first and second bidders are seller bidders;

(Fig. 1 and col. 5 L 17-31, requests and bid proposals, see also Fig. 5)

in response to the first and second bids assigning a first value and a first unit of measurement for the first bid and a second value and second unit of measurement for the second bid;

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(Figures 5 and 11, see block 390, calculate weighted sum of the line item evaluations, blocks 390, 395 weighted sum of line item evaluations, see also col. 11-13 for detailed explanation)

transforming the first and second values to third and fourth values, respectively, having a standard unit of measurement, the third and fourth values representing the first and second bids of the first and second bidders in view of the standard unit of measurement.

(Figure 11, calculate weighted sum of the line item evaluations 400, 405 , see block 400 and 405 which in turn transforms into Total % score, rating for quantitative dimensions, see also col. 11-13 for detailed explanation)

Carlton-Foss while teaches assigning a first value and a first unit of measurement for the first bid and a second value and second unit of measurement for the second bid using a plurality of bid attributes such as availability, delivery, price etc. Carlton-Foss fails to explicitly teach that at least one of a rebate and discount is offered with at least one of the first and second bids, and that the assigning the a first value and that the first unit of measurement for the first bid and the second value and second unit of measurement for the second bid are assigned in part using at least one of a rebate and discount offered with at least one of the first and second bids .

Klugman, in the same field of endeavor, disclose a method of seller bidding for products and services wherein the bids from seller comprises discount offered by seller bidders (see p.1 and 2 “contractors” and “prompt payment discounts”) as one of the bid parameters. Since, Carlton-Foss discloses assigning first/second value and a first/second unit of measurement for

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the respective bids using a plurality of bid parameters as shown in Figure 12b and as discussed before, It would have been obvious to one of ordinary skill in the art at the time of the invention to have the assign the first and the second values and respective units of measurement for the respective bids and transforming the same to third and fourth values having standard unit of measurement because it would allow the bidders to provide incentive to the buyer of goods and services to pay more quickly thereby improving the cash flow of the bidders.

Claim 2: determining a first transformation factor for the first value and determining a second transformation factor for the second value and converting the first value using the first transformation factor and the second value using the second transformation factor.

(see “weight” in Fig. 12b, see col. 11 L 10- col. 12 – end)

Claim 3: performing a linear transformation for the first and second values having at least one of a multiplicative adjustment and an additive adjustment. (see Equation “RatioGoodness”).

Claim 4: wherein the transforming comprises: multiplying the first value by the first transformation factor and the second value by the second transformation factor. (see Equation “RatioGoodness”).

Claim 5: Carlton-Foss and Klugman as analyzed per claim 1 fail to teach look-up table for the first and second transformation factors and However, Official Notice is taken that application of lookup table in computation is old and well known.

It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to have first and second transformation factors determined using a lookup table because it would facilitate assignment of the weight factors regardless of how they are used in calculation and it also facilitate an efficient programming where large number of

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bidders are involved.

Claim 7: wherein the receiving comprises:

electronically coupling the first and second bidders to an auction coordinator during the auction, and submitting the first and second bids to the auction coordinator online during the auction. (see Figures 1, 2 and 5 and relevant description)

Claim 8: Method of claim 1 further comprising:

receiving at least one additional bid having an additional value from at least one additional bidder, and

transforming the additional value to a converted value having the standard unit of measurement.

(this limitation is inherently covered by claim 1 analysis since as shown in Figure 1, Carlton-Foss enables a plurality of bidders to submit bids for a selected item)

Claim 9: comprising:

conducting the auction as a reverse auction.

(see col. 5 L 17-31, "reverse auction")

Claim 10: Carlton-Foss is shown in the reverse auction (price is lowered to win the bid), the method is also applicable to a forward auction format because the scoring process is applicable to any auction to determine a successful bid.

Claim 11 and 12 : soliciting potential bidders.

(inherent feature of "competitive bidding" such as Carlton-Foss)

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Claims 13 and 14. The method of claim 12 wherein the requesting comprises: identifying goods/services to be purchased. (inherent in competitive bidding such as Carlton-Foss because "the best proposals" submitted are result of the RFP, see also Figure 4a)

Claim 15: The method of claim 1 wherein the transforming comprises: determining the standard unit of measurement according to a buyer comparative bid parameter. (Carlton-Foss the percentage score is determined according, buyer comparative bid parameter, see step 415 of Figure 11 and "RatioGoodness" Col. 12).

Claim 17 and 18: comparing the third and fourth values; and ranking the third value with respect to the fourth value. displaying the ranking to a buyer.

(see Figure 12b, bids ranked by percent fit to Specification)

Apparatus claim 25 is analyzed per corresponding method claim 1.

Allowable Subject Matter

9. Claims 6 and 16 objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims and subject to resolution of 35 USC 101 rejection outlined above.

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Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

10. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a).

Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

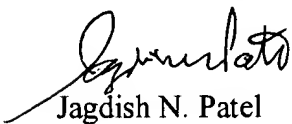
A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAGDISH PATEL whose telephone number is (571) 272-6748. The examiner can normally be reached on 800AM-600PM M-Th.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is 517-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jagdish N. Patel

(Primary Examiner, AU 3624)

8/15/05